

Request for Proposal

Affordable Housing Development Projects



Background:

The Hamilton County Community Development Division (County) will allocate 2017 HOME Investment Partnerships Program (HOME) funds to affordable housing development projects (Program). HOME funds are provided by formula to the County as a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (HUD) to *“fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. (HOME) is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.”* The purpose of this Request for Proposals (RFP) is to solicit development projects that will construct and/or rehabilitate existing affordable housing units in the division’s jurisdiction of Hamilton County, OH outside the City of Cincinnati.

The County’s mission is to *“provide quality affordable housing programs; community and economic development programs and services; and homelessness prevention programs throughout Hamilton County”*. The RFP can help accomplish this by providing funds to fill a gap in development sources for projects that will provide low to moderate income families housing that is affordable, clean, and within reach of amenities that will help families succeed and housing projects to be sustainable.

Amount of Funding Available:

If funding levels remain stable in 2017 from recent years, the County anticipates having approximately \$700,000 to award in this program year. This amount is not known at this time due to the continuing budget resolution passed by Congress through April 28, 2017. The exact amount of funding available from the County will depend on the final Congressional budget and subsequent grant allocations by HUD.

Eligible Applicants:

- Entities should demonstrate affordable housing experience and have clear capacity for the undertaking and the proposed financing structure
- Partnerships or joint ventures are acceptable as a way to ensure an experienced team with sufficient capacity

Application and Approval Process:

- Deadline to submit applications is by close of business on March 24, 2017
- All potential applicants will be invited to an optional Q&A on March 1, 2017
- Applicants will be able to submit questions to Scott.Prowse@hamilton-co.org to be answered and posted on the County’s website. The website will be updated weekly until the proposal due date.

- All applications will be reviewed for completeness and will be underwritten by County staff. The County anticipates approximately 45 days for this process to be completed.
- Complete applications will be forwarded to the Community Development Advisory Committee's (CDAC) Housing Subcommittee for project scoring.
- Funding decisions will be recommended by the CDAC Housing Subcommittee based on scoring and funding availability.
- Project awards recommendations will be presented to the Board of County Commissioners.
- Funding decisions are anticipated by June 2017, and are contingent upon the County's actual HOME award from HUD.
- Final contracts are approved by the County Prosecutor's office and executed by the County Administrator.

General Requirements:

- The use of HOME funding will be governed by the HOME Final Rule as amended at: <https://www.onecpd.info/home/home-laws-and-regulations>
- Availability of HOME funds will be capped at a maximum \$50,000 per HOME assisted unit and \$300,000 per project.
- Projects must include at least 4 housing units.
 - HUD defines housing unit as "a house, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters".
- Projects can include development of housing for rental, home ownership, and transitional housing for persons experiencing homelessness.
- For rehabilitation projects requiring relocation, the Uniform Relocation Act (URA) must be followed.
 - The County's preference is to fund projects that do not trigger URA.
- The County will conduct a supplementary environmental review of the project.
- Construction or demolition must start within 12 months of contract.
- Project must be completed within 36 months of contract execution.
 - Project completion means that all necessary title transfer requirements and construction work have been performed, and that final draw of HOME funds has been disbursed.
- Per 24 CFR part 92.254 HOME assisted rental units must meet certain affordability requirements, as described in the following table:

Rental Housing Activity	Affordability period in years, starting at Project Completion
Rehabilitation or acquisition of existing housing:	
• < \$15,000 HOME funds per unit	5
• Between \$15,001 and \$40,000 HOME funds per unit	10
• > \$40,000 HOME funds per unit	15
New construction or acquisition of newly constructed housing	20

Eligible Uses of funds:

Funding from the County under this Program is eligible for use to construct or rehabilitate four or more units in a project, including mixed-income and mixed use properties. However, funds may only be used to pay eligible costs for HOME-assisted units. Among those costs eligible are:

- Acquisition costs
- Rehabilitation and/or new construction of residential buildings
- Soft costs

Ineligible Uses of funds:

All development costs should be listed in pro forma, including those listed below that are ineligible for funding from the County. Pro forma must show that the project has available funding from other sources to defray these costs:

- Developer fee
- Costs associated with creating market rate housing and/or commercial spaces
- Pre-development costs
- Operating costs

Project Location:

HOME funded projects must be located in jurisdictions participating in the Hamilton County HUD funded programs, but outside the City of Cincinnati limits unless the housing meets a unmet need such as recovery housing or reentry housing, and the City provides a “substantial financial contribution to the project”. The County will determine what substantial entails during underwriting. The financial contribution could take the form of matching grant or loan funds or relief of other taxes or fees that would typically be levied on projects within the City.

- Please find a list of all participating jurisdictions here: http://www.hamilton-co.org/pd/commdev/community_eligibility.asp

Beneficiary Income Limits:

- At least 90% of benefiting households must have incomes that are no more than 60% of the HUD-adjusted median family income for the area.
- For HOME rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of AMI.
- All benefiting households must have income that does not exceed 80% of AMI.

2016 Hamilton County Income Limits (2017 TBD)

Persons in Family	1	2	3	4	5	6
50% AMI	\$24,750	\$28,300	\$31,850	\$35,350	\$38,200	\$41,050
60% AMI	\$29,700	\$33,960	\$38,220	\$42,420	\$45,840	\$49,260
80% AMI	\$39,600	\$45,250	\$50,900	\$56,550	\$61,100	\$65,600

Rent Limits:

Projects utilizing HOME funds must not exceed the high rent limits listed below:

Hamilton County Fair Market Rents

# of Bedrooms	0	1	2	3	4
Final FY 2017	\$527	\$613	\$806	\$1,125	\$1,316
Final FY 2016	\$509	\$600	\$787	\$1,102	\$1,297
% Change	3.5%	2.2%	2.4%	2.1%	1.5%

Evidence of Site Control:

Please provide one of the following to show evidence of site control:

- Deed to property demonstrating fee simple ownership
- Ground lease with a term that is at least as long as the term of the loan
- Purchase Contract with a minimum 12 month term beyond the date of the application
 - The acquisition must occur within six months of execution of the HOME contract

Financial Feasibility:

The County will underwrite by evaluating the documentation listed below, which shall be included in the application package. Please be advised that the County may ask for additional documentation during review:

- 15-year project pro forma that includes
 - Development budget (sources and uses)
 - Operating budget (expenses and income)
- Market study
 - If no market study is available, please provide an assessment of project's projected unit rents compared with existing rents in the targeted market, affordability and rent limit guidelines, and appropriateness for the population being served.
 - Wait lists, sources of referral, etc. should be included for review of project's readiness to serve proposed population.
- Confirmation of committed development sources
 - Commitment letters, grant agreements, tax credit reservation agreement or carryover allocation, etc.
- Confirmation of committed operating subsidies
 - Commitment letters, grant agreements, etc.
- Relocation plan (if applicable)
- Projected construction schedule
 - Ground breaking must occur within 12 months of contract execution.
 - Project completion must occur within 36 months of contract execution.
 - Final draw of funds cannot occur until HOME assisted units are occupied by eligible persons.

The County will use this documentation to determine each of, but not limited to, the following underwriting criteria:

- Leverage ratio of external sources to HOME funds requested
- Debt coverage ratio
- Cash flow during the affordability period
- Reasonableness of development costs
- Reasonableness of projected operating expenses including, but not limited to:
 - Management fee
 - Replacement reserves
- Development and operating costs per unit
- Developer fee
- Soft cost percentage

Loan Structure:

For rental housing, the HOME funds will be provided as a deferred, no interest loan for the term of the affordability period. It will be forgiven as long as the property is used for affordable rental housing. If the property is sold, or no longer used for affordable rental housing during the affordability period, 100% of the loan must be repaid to the County.

For homeowner housing, the HOME funds will be provided as a short-term, low-interest construction loan with terms to be determined based on project *Pro forma*.

Compliance with the HOME requirements that the property be used for affordable housing will be included in the terms of the loan documents. A deed of trust will secure the note for the appropriate affordability period.

Project Scoring:

County staff will score projects based on their application and all supporting documentation provided. Projects will be divided into two pools for scoring so that similar projects are evaluated against each other. The following pools will be designated for this program year:

- Large project pool:
 - Rental projects with 10 total units or greater
 - All Low Income Housing Tax Credit projects
 - Projects with a total budget of \$1,000,000 or greater
- Small project pool:
 - Rental projects with less than 10 total units
 - All homeownership projects
 - Projects with a total budget of less than \$1,000,000

The maximum score is 100. The following criteria will be used to evaluate and score each proposed project:

- Project feasibility (max of 40 points)
 - Project leverages other sources in congress with HOME funds.
 - Preference may also be given to projects that include owner equity as a development source.
 - Sources equal uses
 - Project cash flows show sustainability through affordability period.
- Support from local government (max of 10 points)
 - The county will evaluate the extent to which communication has occurred between the project developer and local government officials.
 - County has contact information for all eligible communities and can share information with developers.
 - Documentation should include letters of support from government officials.
 - Fee waivers or matching funds should be documented with a letter from the local government as well.
- Capacity of development team (max of 5 points)
 - Experience developing affordable housing
 - Experience administering federal funding sources
- Project serves special population(s) (max of 10 points)
 - The County's targeted special populations are listed below, as stated in the 2015-2019 Hamilton County Consolidated Plan:
 - Senior Citizens – aged 55 or older
 - Persons with Disabilities
 - Persons Experiencing Homeless
 - Veterans
 - Persons Returning from Prison or Jail
 - Persons with Addictions
- Project readiness (max of 15 points)
 - Pre-development activities have been completed
 - Site control
 - Development sources secured
 - Projected completion within 36 months
- Transformative and exceptional nature of project (max of 20 points)
 - This will be determined at the County's discretion, and by comparing project submissions.
 - The following project types could be rewarded with points in this category:
 - Great investment in areas of need
 - Elimination of blight
 - Those that show great improvements in public safety
 - Mixed use developments
 - Creation of partnerships
 - Creation of jobs
 - The County will also evaluate other characteristics including, but not limited to:
 - Projects that will encourage economic development
 - Energy efficiency and sustainable building materials in project design
 - Amenities specific to population served
 - Project location close to public transportation, grocery stores, hospitals, and other amenities

2017 Hamilton County Affordable Housing Development Project Application

Project Name: _____

Company or Organization: _____

Project Street Address: _____ Municipality: _____

HOME Funds Requested: \$ _____

I attest that all information provided in this application (and related exhibits and attachments) is true and accurate to the best of my knowledge and that I am duly authorized to sign this application. Further, by my signature, I acknowledge that any materially false, fraudulent or misleading statement in this application or the concealment of any material fact related to this application may subject me to criminal penalties under federal or state law.

Signature: _____ Date: _____
(Authorized Representative)

Printed Name: _____ Title: _____

Primary Contact Information

Name: _____ Title: _____

Address: _____

City, State, Zip Code: _____

Phone Number: _____

E-Mail Address: _____

Email, mail or deliver by 4:00 PM on March 24, 2017, to:

Scott Prowse, scott.prowse@hamilton-co.org

Program Manager

Hamilton County Planning + Development Department

Community Development Division

138 East Court Street, Room 1002

Cincinnati, Ohio 45202

If you have questions, please contact Scott Prowse scott.prowse@hamilton-co.org or 513-946-8236.

All questions and related answers will be posted to this website link from time to time.

Project Description

1. Project Summary - Briefly describe the following:

- Describe the form of ownership
- Provide a brief description of development of the site; if it is a rehabilitation project, include a brief description of the scope of work to be performed
- Describe amenities and/or supportive services
- Include a project location map

2. Existing Units: Rental _____ Owner _____

3. Proposed Units: Rental _____ Owner _____

4. Number of Buildings: Existing _____ Proposed _____

5. Type of Project:

- ____ New Construction
____ Acquisition
____ Rehabilitation
____ Acquisition and Rehabilitation

6. Construction Type(s):

- ____ Multifamily
____ Townhouse
____ Single Family Detached
____ Group Home/Institutional
____ Other (Please describe) _____

7. Population to be served

- ____ Senior Citizens – aged 55 or older
____ Persons with Disabilities
____ Persons Experiencing Homeless
____ Veterans
____ Persons Returning from Prison or Jail
____ Persons with Addictions
____ Families
____ Singles

A. Applicant Experience and Qualifications

1. Type of Organization: _____

2. Number of years in operation: _____

3. Number of Employees:

Full time: _____

Part time: _____

4. Is the applicant actively involved in the development of housing for low-income households?

Yes ____ No ____

If YES, include:

- A narrative and supporting documentation of the organizations' housing development efforts, (i.e., attach a copy of its state incorporation letter or certificate, bylaws, articles of incorporation, or charter that states among its purposes the provision of decent affordable housing).
- A description of housing and project-related experience including size and type of project(s) number of units produced, rehabilitated, owned and/or managed.

If NO, include:

- A narrative and documentation on how it intends to undertake development activities and comply with HUD regulations, and with what resources.
- A copy of the most recent audit report or financial statement for the organization and any other information the applicant wishes to submit to demonstrate its capacity to undertake the proposed project.
- Provide names and experience of senior management, board members, and project partners.

B. Project Details

1. Do you have site control?
Yes ____ (attach evidence of site control) No ____
2. Is there any litigation pending against your organization or project?
Yes ____ No ____
3. Does the property require rezoning/special use permit to accommodate proposed use?
Yes ____ No ____
If yes, has approval been received?
Yes ____ No ____ Anticipated date of approval ____
4. Are adequate utilities available at the site?
Yes ____ No ____
5. Does right-of-way need to be vacated?
Yes ____ No ____
6. Do you have architectural plans and a site plan for the project?
Yes ____ No ____
If yes, please submit one copy
7. Do you have engineering reports detailing property conditions?
Yes ____ No ____
If yes, please submit one copy
8. Has an environmental study of the site been undertaken?

Yes ____ No ____

If yes, please submit one copy

9. Has an appraisal been completed on the project?

Yes ____ No ____

If yes, please submit one copy

10. Has a market study been completed for the project?

Yes ____ No ____

If yes, please submit one copy

11. Has a development schedule been proposed for the project?

Yes ____ No ____

If yes, please submit one copy

12. Is the property occupied?

Yes ____ No ____

If yes, please submit a Relocation Plan for the project.

13. Has a management plan been completed for the project (rental only)?

Yes ____ No ____

If yes, please submit one copy

C. Financial Details

Please complete the applicable Excel spreadsheets for your proposed project.

1. For All Projects, complete:

- a. Project Budget
- b. Sources of Funds

2. For Rental Projects, complete:

- a. Rental Project Income
- b. Rental Project Expenses
- c. Rental Project *Proforma*

3. For Homeownership Projects, complete:

- a. Homeownership Financial Sheet
- b. Homeownership Project *Proforma*